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16 June 1986

NOTE FOR: The Director
The Deputy Director

FROM: Dave Gries *DK*

SUBJECT: Lunch Wednesday with Senators Durenberger and Leahy

You are hosting Durenberger and Leahy as well as Bernie McMahon and Eric Newsom. Eric is Leahy's designee and concurrently Minority Staff Director. Also attending are Bob Gates, Dick Kerr, Evan Hineman, Clair George, Bill Donnelly, Danny Childs, and myself.

Attached are talking points, biographic material, your recent correspondence with Durenberger and Leahy, and a seating plan.

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Bios

*Minnesota - Senior Senator***Dave Durenberger (R)****Of Minneapolis — Elected 1978****Born:** Aug. 19, 1934, St. Cloud, Minn.**Education:** St. John's U., B.A. 1955; U. of Minn., J.D. 1959.**Military Career:** Army Reserve, 1956-63.**Occupation:** Lawyer; adhesive manufacturing executive.**Family:** Wife, Gilda Beth "Penny" Baran; four children.**Religion:** Roman Catholic.**Political Career:** No previous office.**Capitol Office:** 375 Russell Bldg. 20510; 224-3244.

In Washington: When Durenberger won this seat in 1978, ending 20 years of Democratic control, he brought a change not only in party but in personality. Watching him puff on his pipe at a committee meeting, quietly questioning the logic behind a tax subsidy, it is hard to imagine anyone less like the seat's former occupant, Hubert H. Humphrey. Durenberger after Humphrey is like chamber music after Tchaikovsky.

Ideologically, the difference is not so dramatic. Durenberger pays his respects to the progressive traditions of his state on issues of social services and war and peace. But Humphrey was an effusive, charismatic liberal of the heart. Durenberger, good-humored but analytical, hews to the middle and rarely lets his emotions show.

As a member of Finance and Governmental Affairs, he has specialized in two topics that do not much lend themselves to stem-winding rhetoric. One is his dogged promotion of a plan to rebuild the American health care system through tax incentives. The other is the soporific subject of federal-state relations.

Durenberger's health bill, a Republican answer to Democratic proposals for national health insurance and hospital cost controls, would use tax incentives to induce employers to offer their workers a choice of health insurance plans. The increased competition, Durenberger contends, would force doctors and hospitals to offer better care at a more reasonable price.

The proposal grew out of the success of prepaid health plans in the Minneapolis-St. Paul area. It drew a good deal of attention in the 97th Congress, after the new Republican Senate majority made him chairman of the Finance subcommittee governing health, but it made no progress amid the furor over budget and taxes. In the 98th Congress, Durenberger's subcommittee has been immersed in the financial problems of the Medicare program.

Like his views on health care, Durenberger's views on state-federal relations were born in Minnesota. He had his first taste of politics working in state government, and the experience seemed to give him faith in the competence of officials at that level to handle problems.

Durenberger has enhanced his reputation as a theorist of federal-state relations with his chairmanship of the Intergovernmental Relations Subcommittee of Governmental Affairs. From that post, and as a member of various advisory groups on intergovernmental relations, Durenberger has pressed the theory of "devolution" — returning power to the most appropriate level of government.

Where Durenberger has differed sharply with the administration is on the financing of relocated programs. While he agrees with President Reagan that the states can be trusted to run income security programs, he believes the federal government is the fairest source of revenue.

Durenberger felt the Reagan New Federalism proposal of 1982 asked state and local governments to take on financial responsibilities they were in no shape to meet. "Some conclude that an appropriate federal partnership can be restored by simply abolishing much of the federal government," he said. "That argument fails to understand the recent history of this country."

In a speech to a convention of county officials, he reviewed the Reagan assertion that the federal government had somehow usurped power from the states, and dismissed it as "baloney."

During his first two years in the Senate, as the ranking Republican on the Finance subcommittee handling revenue sharing, Durenberger emerged as a leading defender of no-strings-attached grants to state governments.

Dave Durenberger, R-Minn.

In 1980 Durenberger got the Senate to vote down a House proposal requiring states that accept revenue-sharing to give up other federal aid, dollar-for-dollar. At House insistence, this tradeoff was later restored.

In general, Durenberger has proved more amenable than most Republicans toward preservation of the federal regulatory system. In the 96th Congress, he supported a measure to subsidize consumers who want to participate in regulatory agency hearings. He also sided with supporters of a strong bill to regulate lobbyists. When that bill was foundering on the question of whether lobby groups should be forced to disclose their corporate financial backers, Durenberger crafted a compromise requiring them to reveal the names of supporting organizations, but not the amount of the backing; his amendment narrowly failed, and the bill died with it.

During the 97th Congress, Durenberger generally supported President Reagan's budget and tax initiatives, while leaving plenty of distance between himself and the White House on other issues.

Durenberger was a principal author of the amendment to the 1981 tax bill that allowed unprofitable corporations to lease their unused tax breaks to other companies sitting on highly taxable profits. Tax leasing was intended as a way of assuring that needy Frost Belt industries such as steel and railroads would reap some benefits from the tax cuts aimed at spurring new industrial investment.

A side effect, however, was that many profitable companies ended up wiping out their tax liability. Tax leasing became an embarrassment that Congress repealed the following year, over Durenberger's resistance.

Durenberger fought Reagan administration efforts to abolish the Legal Services program for the poor. He also issued a white paper on national defense in 1982, taking the administration to task for its nuclear weapons build-up and proposing that the United States work toward withdrawing nuclear weapons from Europe.

When Reagan showed up for a fund-raising event in Minnesota, a crowd of protestors gathered outside. Durenberger said if he were not a senator, "I'd be out there demonstrating myself."

At Home: Durenberger's image as a quiet problem-solver has won him two impressive Senate victories in a period of four years.

His first campaign, in 1978, was the easier of the two. He rode a Minnesota Republican tide to a comfortable victory. Four years later he had to buck the economic failures of na-

tional and state GOP administrations and the unlimited financial resources of his Democratic rival. Although he won by a narrower margin, his second victory represented a more striking personal triumph.

Durenberger's presence in the Senate is the result of an unusual set of events. When the 1978 political year began, he was preparing a gubernatorial challenge that seemed to be going nowhere. When it ended, he was the state's senior senator.

Durenberger had hovered on the periphery of public office for years, as chief aide to GOP Gov. Harold Levander during the late 1960s and as a well-connected Minneapolis lawyer after that. But he was politically untested, and, in spite of a year-long campaign, he was given little chance to take the nomination for governor away from popular U.S. Rep. Albert H. Quie.

When interim Sen. Muriel Humphrey announced that she would not run for the remaining four years of her late husband's term, Republican leaders asked Durenberger to switch contests. He was easy to persuade.

Democratic disunity aided Durenberger immensely. The party's endorsed candidate, U.S. Rep. Donald M. Fraser, was defeated in a primary by the late Bob Short, a blustery conservative whose campaign against environmentalists alienated much of the Democratic left. Some Democrats chose not to vote in the general election, but even more deserted to Durenberger, who had the endorsement of Americans for Democratic Action. As a result, the Republican won a solid victory.

Durenberger's moderate views antagonized some in the Republicans' conservative wing. At the 1980 state GOP convention, a group of conservative activists, mainly from southern Minnesota, warned him to move right if he wanted their backing for re-election in 1982. Durenberger publicly dismissed their warning, calling it "minority party mentality."

He cleared a major hurdle in early 1981 when former Vice President Walter F. Mondale, a Minnesota senator from 1964 to 1976, announced that he would not seek the office again. That made Durenberger a heavy favorite for re-election, while opening the Democratic side for Mark Dayton, liberal young heir to a department store empire. Although politically inexperienced, Dayton sunk about \$7 million of his personal fortune into an intense two-year Senate campaign.

Dayton made no apologies for his spending, which threatened Jesse Helms' all-time Senate record of \$7.5 million, set in 1978. He contended that unlike Durenberger, he was not

Dave Durenberger, R-Minn.

dependent on special interest contributions, and that lavish spending was the only way he could offset the incumbent's perquisites and hefty campaign treasury.

For months Dayton saturated the media with advertising that sought to tie Durenberger to Reaganomics. This expensive blitz pulled Dayton up in the polls, but Durenberger was well positioned for re-election. He contended

that while he was an independent voice in Washington, he had Reagan's respect and could help moderate the administration's course.

Dayton swept the economically depressed Iron Range and the Democratic Twin Cities, but carried little else. Durenberger built a large lead in the suburbs of Minneapolis-St. Paul and most of rural Minnesota that carried him to a 109,000-vote victory statewide.

Committees

Environment and Public Works (8th of 9 Republicans)
Toxic Substances and Environmental Oversight (chairman);
Environmental Pollution; Water Resources.

Finance (8th of 11 Republicans)
Health (chairman); Energy and Agricultural Taxation; Social Security and Income Maintenance Programs.

Governmental Affairs (8th of 10 Republicans)
Intergovernmental Relations (chairman); Energy, Nuclear Proliferation and Government Processes; Information Management and Regulatory Affairs.

Select Ethics (3rd of 3 Republicans)

Select Intelligence (6th of 8 Republicans)
Legislation and the Rights of Americans (chairman); Budget.

Elections**1982 General**

Dave Durenberger (R)	949,207	(53%)
Mark Dayton (D)	840,401	(47%)

1982 Primary

Dave Durenberger (R)	287,851	(83%)
Mary Jane Rachner (R)	20,401	(7%)

Previous Winning Percentage: 1978* (61%)

* Special election

Campaign Finance

	Receipts	Receipts from PACs	Expenditures
1982			
Durenberger (R)	\$3,974,883	\$985,491 (25%)	\$3,901,072
Dayton (D)	\$7,175,356	\$200 (.002%)	\$7,167,263

Voting Studies

Year	Presidential Support		Party Unity		Conservative Coalition	
	S	O	S	O	S	O
1982	80	28	45	41	39	48
1981	73	24	68	25	59	33
1980	84	42	84	38	42	49
1979	68	30	50	43	33	59

S - Support O - Opposition

Key Votes

Allow vote on anti-busing bill (1981)	N
Disapprove sale of AWACS planes to Saudi Arabia (1981)	Y
Index income taxes (1981)	Y
Cut off B-1 bomber funds (1981)	N
Subsidize home mortgage rates (1982)	+
Retain tobacco price supports (1982)	N
Amend Constitution to require balanced budget (1982)	Y
Delete \$1.2 billion for public works jobs (1982)	Y
Increase gas tax by 5 cents per gallon (1982)	Y

Interest Group Ratings

Year	ADA	ACA	AFL-CIO	CCUS-1	CCUS-2
1982	70	32	59	28	
1981	40	52	26	72	
1980	44	72	33	77	
1979	53	36	67	45	50

*Vermont - Junior Senator***Patrick J. Leahy (D)****Of Burlington — Elected 1974****Born:** March 31, 1940, Montpelier, Vt.**Education:** St. Michael's College, B.A. 1961; Georgetown U., J.D. 1964.**Occupation:** Lawyer.**Family:** Wife, Marcelle Pomerleau; three children.**Religion:** Roman Catholic.**Political Career:** Chittenden County state's attorney, 1967-75.**Capitol Office:** 433A Russell Bldg. 20510; 224-4242.

In Washington: Smart, affable and unpretentious, Leahy has not only the affection of Senate colleagues but their respect as well. An Irish Catholic with some of the plain-spoken qualities of a Vermont Yankee, he has survived nearly a decade of Senate life without picking up a trace of the self-importance that is the chamber's occupational disease.

The homespun quality that helps Leahy politically in Vermont also is helpful on the Senate floor. During one debate on an appropriation for home heating aid for the Northeast, Leahy was able to speak from experience: He had been home that weekend putting the storm windows on his house.

But Leahy is no hick. While he works hard to defend Vermont's dairy farmers, his interests are global — he spent much of the 97th Congress resisting President Reagan's policies on issues from arms control and foreign military aid to government secrecy and nutrition.

Leahy started fighting with the administration over agricultural issues almost as soon as Reagan was inaugurated. He strongly opposed the new administration's request for a cancellation in the scheduled increase in dairy prices, and led the fight against confirmation of John B. Crowell Jr. to be assistant secretary of agriculture. He complained about Crowell's involvement with a timber company whose subsidiary had been held liable for price fixing.

Crowell was confirmed overwhelmingly, but Leahy did have some success on the Agriculture Committee holding off efforts to make severe cuts in the food stamp program. Working closely with Nutrition Subcommittee Chairman Bob Dole of Kansas, he came up with a series of moderate reductions in food stamp spending that headed off a more draconian package of cuts sponsored by full committee Chairman Jesse Helms of North Carolina.

Leahy followed a similar bipartisan approach on the Judiciary Committee, joining

with Republican Paul Laxalt of Nevada in pushing a bill to reform the federal government's regulatory process. After lengthy negotiations, the two Judiciary Committee members came up with a compromise bill that passed the Senate unanimously. It would have imposed cost-benefit analysis on new federal rules and given Congress more say in their approval. "After all the years of people talking about making government work better, we've actually sat down and done something that will," Leahy said. But the bill never passed the House.

Leahy agreed to another Judiciary Committee compromise, this time with Republican Orrin G. Hatch of Utah, on the Freedom of Information Act. Although the landmark anti-secrecy law is a subject close to Leahy's heart — "it is sometimes difficult for me to remember that it is only a statute and not a part of the Constitution," he says — he helped work out a proposal to provide new protections against release of data relating to criminal investigations. But Leahy swore he would filibuster the bill if any further weakening of the law was approved on the Senate floor. As it turned out, the measure never reached the floor.

And in a departure from the usual rules of senatorial courtesy, Leahy joined with Hatch in persuading the Judiciary Committee that ethical indiscretions and a lack of experience disqualified a Democratic colleague's former campaign manager from serving as a federal judge. It was the first time in 42 years that the committee had rejected a judicial nominee.

Leahy refused to go along with Hatch and other Republicans on a constitutional amendment to balance the federal budget. An outspoken opponent of the idea, Leahy offered four unsuccessful floor amendments that would have suspended the balanced budget requirement in times of high unemployment. Noting

Patrick J. Leahy, D-Vt.

that the proposal allowed a budget waiver in times of war, Leahy said the Senate votes meant it was easier to send Americans to war than to work. The constitutional change passed the Senate but died in the House.

Leahy's seat on the Select Intelligence Committee brought further occasions for conflict with the Reagan administration. A long-time opponent of the administration's policy in El Salvador, Leahy went to Central America early in 1983. Without saying so directly, he implied that the trip had convinced him that the administration was violating the law by providing aid to anti-Sandinista rebels in Nicaragua. Leahy also has been one of the strongest proponents in the Senate of a nuclear weapons freeze.

After a two-year stint on Armed Services at the beginning of his Senate career, Leahy went to Appropriations, where he has served since 1977. That move proved to be a mixed blessing; as the most junior member eligible to chair a subcommittee, he had to spend four years heading the panel responsible for the District of Columbia's budget — a job with virtually no political benefit.

Despite his distaste for the job and his underlying belief in home rule for the District of Columbia on budget matters, Leahy was far from reticent about scrutinizing District spending requests and fighting those he considered unjustified.

He called the city's proposed new convention center a "taxpayer rip-off," infuriating D.C. Mayor Marion Barry, who called Leahy "that rinky-dink senator from the state nobody's ever heard of." Leahy had jerseys printed up for his softball team that read "Rinky Dink Senator from Vermont."

Although he eventually approved the convention center project, Leahy remained skeptical of its backers' plans even after he gave up the District subcommittee chair. He offered an amendment in 1982 to bar the center from sponsoring sporting events or concerts for profit, but it was defeated 40-54.

The Appropriations Committee also provides Leahy with a vantage point from which to attack enforcement of anti-pollution laws by the Environmental Protection Agency (EPA). A member of the subcommittee that has jurisdiction over the EPA budget, Leahy has been one of the most outspoken critics of the agency under Reagan, saying it has been unwilling or

unable to carry out the environmental laws passed by Congress.

At Home: Leahy has survived in Vermont by emphasizing his roots in the state rather than his roots in the Democratic Party. Campaigning for a second term in 1980 against the national Republican tide, he fought off a New York-born GOP challenger with a carefully designed slogan: "Pat Leahy: Of Vermont, For Vermont."

It took that slogan and all the other ingenuity Leahy could summon to overcome the challenge from Stewart Ledbetter, former state banking and insurance commissioner. When the centrist Ledbetter won a primary victory over a more strident Republican, Leahy was placed in instant jeopardy. With financial help from national Republican groups, Ledbetter sought to convince voters that the incumbent was "out of touch with the thinking people of our state."

Ledbetter said Leahy was a free-spender and weak on defense. Leahy responded by explaining in detail why he opposed the B-1 bomber and citing cases in which he had supported the Pentagon.

It was well after midnight before the result became clear, but the last trickle of ballots gave Leahy re-election by less than 3,000 votes, preserving his record of uninterrupted success as a Democrat in a Republican state.

Leahy started that record in Burlington, the state's one major Democratic stronghold, by winning election as Chittenden County state's attorney at age 26. He revamped the office and headed a national task force of district attorneys probing the 1973-74 energy crisis.

So when he decided in 1974 to run for the Senate seat being vacated by Republican George D. Aiken, he had a solid base in Chittenden County to build on. At 34, Leahy was still a little young to replace an 82-year-old institution in a tradition-minded state, but he was already balding and graying, and looked older than he was.

Leahy was an underdog in 1974 against U.S. Rep. Richard W. Mallary, who was widely viewed as heir-apparent and promised to vote in the Aiken tradition. But Mallary turned out to be a rather awkward campaigner, and Watergate had made Vermont more receptive to the heresy of voting Democratic than it had been in modern times.

*Patrick J. Leahy, D-Vt.***Committees**

Agriculture, Nutrition and Forestry (2nd of 8 Democrats)
 Agricultural Production, Marketing and Stabilization of Prices
 (ranking); Nutrition; Rural Development, Oversight and Invest-
 igations.

Appropriations (11th of 14 Democrats)
 District of Columbia (ranking); Foreign Operations; HUD - Inde-
 pendent Agencies; Interior and Related Agencies.

Judiciary (6th of 8 Democrats)
 Security and Terrorism (ranking); Constitution; Patents, Copy-
 rights and Trademarks.

Select Intelligence (6th of 7 Democrats)
 Legislation and the Rights of Americans (vice chairman); Bud-
 get.

Elections

1980 General		
Patrick Leahy (D)	104,176	(50%)
Stewart Ledbetter (R)	101,421	(49%)

Previous Winning Percentage: 1974 (50%)

Campaign Finance

	Receipts	Receipts from PACs	Expend- itures
1980			
Leahy (D)	\$525,547	\$213,760 (41%)	\$434,644
Ledbetter (R)	\$535,064	\$132,040 (25%)	\$532,904

Voting Studies

Year	Presidential Support		Party Unity		Conservative Coalition	
	S	O	S	O	S	O
1982	37	62	91	9	12	88
1981	34	60	76	8	4	84
1980	64	22	72	16	13	75
1979	76	18	80	15	16	77
1978	87	10	90	7	13	84
1977	77	18	74	15	18	75
1976	36	51	91	5	7	89
1975	43	52	91	2	3	87

S = Support O = Opposition

Key Votes

Allow vote on anti-busing bill (1981)	N
Disapprove sale of AWACS planes to Saudi Arabia (1981)	Y
Index income taxes (1981)	N
Cut off B-1 bomber funds (1981)	Y
Subsidize home mortgage rates (1982)	Y
Retain tobacco price supports (1982)	N
Amend Constitution to require balanced budget (1982)	N
Delete \$1.2 billion for public works jobs (1982)	N
Increase gas tax by 5 cents per gallon (1982)	Y

Interest Group Ratings

Year	ADA	ACA	AFL-CIO	CCUS
1982	90	19	92	45
1981	95	5	89	6
1980	83	16	83	43
1979	89	19	79	9
1978	65	21	79	24
1977	80	15	80	17
1976	85	8	85	0
1975	72	19	90	25

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DINING ROOM EVENTS

TIME/DAY/DATE: 1200-Wednesday, 18 June 1986

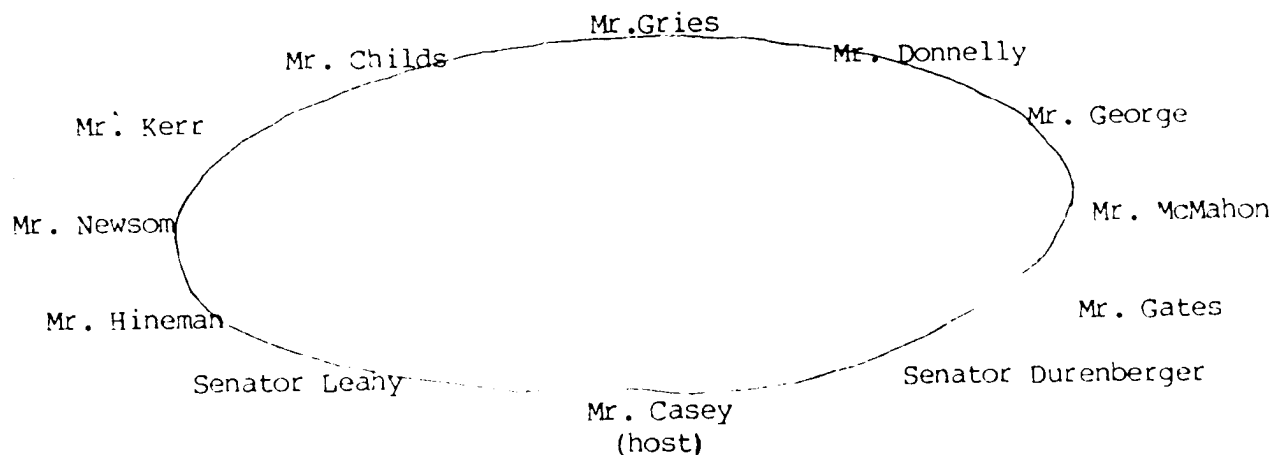
BREAKFAST _____ LUNCHEON XX DINNER _____HOST: DCI XX DDCI _____ EXDIR _____ OTHER _____PLACE: DCI D. R. XX EDR _____ OTHER _____

GUEST LIST: Mr. William Casey, host
 Senator David F. Durenberger, guest of honor
 Senator Patrick J. Leahy, guest
 Mr. Bernie McMahon, SSCI Staffer, guest
 Mr. Eric Newsom, SSCI Staffer, guest
 Mr. Robert Gates, DDCI
 Mr. R. E. Hineman, DDS&T
 Mr. Clair George, DDO
 Mr. Richard Kerr, DDI
 Mr. William Donnelly, DDA
 Mr. Daniel Childs, COMPT
 Mr. David Gries, OCA/DCI

TOTAL: 12

MENU: Chilled Corn and Cucumber Soup
 Salad
 Gallantine of Duck with Cornbread Stuffing (Served Hot)
 Vegetables
 Red Wine with Meal
 Blueberries and Creme Fraiche Tarte
 Coffee/Tea

SEATING ARRANGEMENT: (WINDOWS)



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